
HOUSE BILL No. 1778

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-10-21-6; IC 6-6-9.7; IC 6-9; IC 9-13-2-170; IC 9-18; IC 36-7-31; IC 36-7-34.

Synopsis: Convention center funding. Permits the Indianapolis city-county council to: (1) increase the rate of the county supplemental auto rental excise tax from 2% to 4%; (2) extend the expiration date of the county supplemental auto rental excise tax from December 31, 2027, to December 31, 2040; (3) increase the rate of the Marion County innkeeper's tax to 9% through 2040 (the tax rate would be reduced to 5% in 2041); and (4) increase the rate of the county admissions tax from 5% to 6%. Requires the bureau of motor vehicles to issue one or more capital improvement board team license plates upon the request of the Marion County capital improvement board and requires the board to use revenue from the plates for payment of obligations relating to a capital improvement that is used for professional football events. Removes the limit on the annual amount of state revenue that may be captured by a professional sports development area in Indianapolis (the current limit is \$5,000,000 per year). Removes the requirement that a capital improvement paid for with state revenue captured by a professional sports development area be used for a capital improvement that is used for a professional sporting event. Permits the Indianapolis metropolitan development commission to establish a convention and visitor development area as a tax area to capture sales tax, adjusted gross income tax, county option income tax, and innkeeper's tax to be used for capital improvements serving the convention and visitor industry.

Effective: July 1, 2005.

Buell, Crawford

January 19, 2005, read first time and referred to Committee on Ways and Means.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1778

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-10-21-6 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. The following
3 expenditures that would otherwise be subject to this chapter shall be
4 excluded from all computations and determinations related to a state
5 spending cap:

6 (1) Expenditures derived from money deposited in the state
7 general fund, the property tax replacement fund, and the
8 counter-cyclical revenue and economic stabilization fund from
9 any of the following:

- 10 (A) Gifts.
11 (B) Federal funds.
12 (C) Dedicated funds.
13 (D) Intergovernmental transfers.
14 (E) Damage awards.
15 (F) Property sales.

16 (2) Expenditures for any of the following:

- 17 (A) Transfers of money among the state general fund, the

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property tax replacement fund, and the counter-cyclical revenue and economic stabilization fund.

(B) Reserve fund deposits.

(C) Refunds of intergovernmental transfers.

(D) Payment of judgments against the state and settlement payments made to avoid a judgment against the state, other than a judgment or settlement payment for failure to pay a contractual obligation or a personnel expenditure.

(E) Distributions or allocations of state tax revenues to a unit of local government under IC 36-7-13, IC 36-7-26, IC 36-7-27, IC 36-7-31, ~~or~~ IC 36-7-31.3, **or IC 36-7-34.**

(F) Motor vehicle excise tax replacement payments that are derived from amounts transferred to the state general fund from the lottery and gaming surplus account of the build Indiana fund.

(G) Distributions of state tax revenues collected under IC 7.1 that are payable to cities and towns.

SECTION 2. IC 6-6-9.7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) The city-county council of a county that contains a consolidated city may adopt an ordinance to impose an excise tax, known as the county supplemental auto rental excise tax, upon the rental of passenger motor vehicles and trucks in the county for periods of less than thirty (30) days. ~~The~~ **In any year following the year in which an ordinance initially imposing a tax under this chapter is adopted, the city-county council may adopt an ordinance increasing the tax imposed under this chapter up to the amount in subsection (b). An ordinance adopted under this section** must specify that the tax expires ~~on or before~~ December 31, ~~2027; 2040.~~

(b) The county supplemental auto rental excise tax that may be imposed upon the rental of a passenger motor vehicle or truck equals ~~two the percentage established in the ordinance adopted under subsection (a), which may not exceed four percent (2%) (4%)~~ of the gross retail income received by the retail merchant for the rental.

(c) If a city-county council adopts an ordinance under subsection (a), the city-county council shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue.

(d) ~~If a city-county council adopts~~ An ordinance **adopted** under subsection (a) prior to June 1 ~~the county supplemental auto rental excise tax~~ applies to auto rentals after June 30 of the year in which the ordinance is adopted. ~~If the city-county council adopts~~ An ordinance **adopted** under subsection (a) on or after June 1 ~~the county~~

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supplemental auto rental excise tax applies to auto rentals after the last day of the month in which the ordinance is adopted.

SECTION 3. IC 6-6-9.7-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. This chapter expires January 1, ~~2028~~ **2041**.

SECTION 4. IC 6-9-8-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) Except as provided in subsection (b) **and section 3.5 of this chapter**, the tax imposed by section 2 of this chapter shall be at the rate of:

(1) before January 1, 2028, five percent (5%) on the gross income derived from lodging income only, if the fiscal body does not adopt an ordinance under subsection (b), and six percent (6%) if the fiscal body adopts an ordinance under subsection (b); and

(2) after December 31, 2027, five percent (5%).

(b) In any year subsequent to the initial year in which a tax is imposed under section 2 of this chapter, the fiscal body may, by ordinance adopted by at least two-thirds (2/3) of the members elected to the fiscal body, increase the tax imposed by section 2 of this chapter from five percent (5%) to six percent (6%). The ordinance must specify that the increase in the tax authorized under this subsection expires January 1, 2028.

(c) The amount collected from an increase adopted under subsection (b) shall be transferred to the capital improvement board of managers established by IC 36-10-9-3. The board shall deposit the revenues received under this subsection in a special fund. Money in the special fund may be used only for the payment of obligations incurred to expand a convention center, including:

(1) principal and interest on bonds issued to finance or refinance the expansion of a convention center; and

(2) lease agreements entered into to expand a convention center.

SECTION 5. IC 6-9-8-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 3.5. (a) In any year following the initial year in which the tax imposed under this chapter is increased under section 3(b) of this chapter, the fiscal body may, by ordinance, increase the rate of the tax imposed by section 2 of this chapter to an amount not to exceed nine percent (9%) of the gross income derived from lodging income only. The ordinance must specify that:**

(1) the increase in the rate of the tax authorized under this subsection expires December 31, 2040; and

(2) the rate of the tax after December 31, 2040, is five percent (5%) of the gross income derived from lodging income only.

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(b) The amount collected from an increase adopted under this section shall be transferred to the capital improvement board of managers established under IC 36-10-9-3.

(c) If the fiscal body adopts an ordinance under subsection (a) before June 1, the increased rate of the tax imposed by section 2 of this chapter applies after June 30 of the year in which the ordinance is adopted. If the fiscal body adopts an ordinance under subsection (a) on or after June 1, the increased rate of the tax imposed by section 2 of this chapter applies after the last day of the month in which the ordinance is adopted.

SECTION 6. IC 6-9-13-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) Except as provided in subsection (b), the city-county council of a county that contains a consolidated first class city may adopt an ordinance to impose an excise tax, known as the county admissions tax, for the privilege of attending, before January 1, ~~2028~~, **2041**, any event and, after December 31, ~~2027~~, **2040**, any professional sporting event:

(1) held in a facility financed in whole or in part by bonds or notes issued under IC 18-4-17 (before its repeal on September 1, 1981), IC 36-10-9, or IC 36-10-9.1; and

(2) to which tickets are offered for sale to the public by:

(A) the box office of the facility; or

(B) an authorized agent of the facility.

(b) The excise tax imposed under subsection (a) does not apply to the following:

(1) An event sponsored by an educational institution or an association representing an educational institution.

(2) An event sponsored by a religious organization.

(3) An event sponsored by an organization that is considered a charitable organization by the Internal Revenue Service for federal tax purposes.

(4) An event sponsored by a political organization.

(c) If a city-county council adopts an ordinance under subsection (a), it shall immediately send a certified copy of the ordinance to the commissioner of the department of state revenue.

(d) If a city-county council adopts an ordinance under subsection (a) prior to June 1, the county admissions tax applies to admission charges collected after June 30 of the year in which the ordinance is adopted. If the city-county council adopts an ordinance under subsection (a) on or after June 1, the county admissions tax applies to admission charges collected after the last day of the month in which the ordinance is adopted.

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SECTION 7. IC 6-9-13-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) **Except as provided by subsection (b)**, the county admissions tax equals five percent (5%) of the price for admission to any event described in section 1 of this chapter.

(b) **In any year following the initial year in which the county admissions tax is imposed under section 1 of this chapter, a city-county council may adopt an ordinance increasing the tax to six percent (6%) of the price for admission to any event described in section 1 of this chapter**

(c) **If a city-county council adopts an ordinance under subsection (b) before June 1, the increased rate of the county admissions tax applies to admission charges collected after June 30 of the year in which the ordinance is adopted. If a city-county council adopts an ordinance under subsection (b) on or after June 1, the increased rate of the county admissions tax applies to admission charges collected after the last day of the month in which the ordinance is adopted.**

SECTION 8. IC 9-13-2-170 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 170. "Special group" means:

- (1) a class or group of persons that the bureau finds:
 - ~~(1) that:~~ (A) have made significant contributions to the United States, Indiana, or the group's community or ~~(B)~~ are descendants of native or pioneer residents of Indiana;
 - ~~(2) (B)~~ are organized as a nonprofit organization (as defined under Section 501(c) of the Internal Revenue Code);
 - ~~(3) (C)~~ are organized for nonrecreational purposes; and
 - ~~(4) (D)~~ are organized as a separate, unique organization or as a coalition of separate, unique organizations; **or**

- (2) **a capital improvement board of managers created by IC 36-10-9-3.**

SECTION 9. IC 9-18-15-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) A person who is the registered owner or lessee of a:

- (1) passenger motor vehicle;
- (2) motorcycle;
- (3) recreational vehicle; or
- (4) vehicle registered as a truck with a declared gross weight of not more than:
 - (A) eleven thousand (11,000) pounds;
 - (B) nine thousand (9,000) pounds; or

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(C) seven thousand (7,000) pounds;
 registered with the bureau or who makes an application for an original
 registration or renewal registration of a vehicle may apply to the bureau
 for a personalized license plate to be affixed to the vehicle for which
 registration is sought instead of the regular license plate.

(b) A person who:

(1) is the registered owner or lessee of a vehicle described in
 subsection (a); and

(2) is eligible to receive a license plate for the vehicle under:

- (A) IC 9-18-17 (prisoner of war license plates);
- (B) IC 9-18-18 (disabled veteran license plates);
- (C) IC 9-18-19 (purple heart license plates);
- (D) IC 9-18-20 (Indiana national guard license plates);
- (E) IC 9-18-21 (Indiana guard reserve license plates);
- (F) IC 9-18-22 (license plates for persons with disabilities);
- (G) IC 9-18-23 (amateur radio operator license plates);
- (H) IC 9-18-24 (civic event license plates);
- (I) IC 9-18-25 (special group recognition license plates);
- (J) IC 9-18-29 (environmental license plates);
- (K) IC 9-18-30 (kids first trust license plates);
- (L) IC 9-18-31 (education license plates);
- (M) IC 9-18-32.2 (drug free Indiana trust license plates);
- (N) IC 9-18-33 (Indiana FFA trust license plates);
- (O) IC 9-18-34 (Indiana firefighter license plates);
- (P) IC 9-18-35 (Indiana food bank trust license plates);
- (Q) IC 9-18-36 (Indiana girl scouts trust license plates);
- (R) IC 9-18-37 (Indiana boy scouts trust license plates);
- (S) IC 9-18-38 (Indiana retired armed forces member license
plates);
- (T) IC 9-18-39 (Indiana antique car museum trust license
plates);
- (U) IC 9-18-40 (D.A.R.E. Indiana trust license plates);
- (V) IC 9-18-41 (Indiana arts trust license plates);
- (W) IC 9-18-42 (Indiana health trust license plates);
- (X) IC 9-18-43 (Indiana mental health trust license plates);
- (Y) IC 9-18-44 (Indiana Native American Trust license
plates);
- (Z) IC 9-18-45.8 (Pearl Harbor survivor license plates);
- (AA) IC 9-18-46.2 (Indiana state educational institution trust
license plates);
- (BB) IC 9-18-47 (Lewis and Clark bicentennial license plates);

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(CC) IC 9-18-48 (Riley Children's Foundation license plates);

or

(DD) IC 9-18-49 (capital improvement board team license plates).

may apply to the bureau for a personalized license plate to be affixed to the vehicle for which registration is sought instead of the regular special recognition license plate.

SECTION 10. IC 9-18-25-1.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 1.8. Sections 15, 17, and 17.5 of this chapter do not apply to a capital improvement board special group recognition license plate issued under IC 9-18-49-2.**

SECTION 11. IC 9-18-49 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 49. Capital Improvement Board Team License Plates

Sec. 1. As used in this chapter, "capital improvement board" refers to a capital improvement board of managers created by IC 36-10-9-3.

Sec. 2. The bureau shall design and issue one (1) or more capital improvement board team license plates upon the request of a capital improvement board. The capital improvement board team license plates shall be designed and issued as special group recognition license plates under IC 9-18-25.

Sec. 3. A capital improvement board team license plate designed under IC 9-18-25 must include the following:

- (1) A basic design for the plate, with consecutive numbers or letters, or both, to properly identify the vehicle.
- (2) A background design, an emblem, or colors that designates the license plate as a capital improvement board team plate, with separate design, emblem, or colors for each capital improvement board team plate reflecting a different professional sports team as requested by the capital improvement board.

Sec. 4. A person who is eligible to register a vehicle under this title is eligible to receive a capital improvement board team license plate upon doing the following:

- (1) Completing an application for a capital improvement board team license plate.
- (2) Designating the particular capital improvement board team special group license plate desired.
- (3) Paying the fees required by section 5 of this chapter.

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1 **Sec. 5. (a) The fees for a capital improvement board team**
 2 **license plate are as follows:**

3 **(1) The appropriate fee under IC 9-29-5-38.**

4 **(2) An annual fee of twenty-five dollars (\$25) to be collected**
 5 **by the bureau.**

6 **(b) The annual fee described in subsection (a)(2) shall be**
 7 **deposited in the fund established by section 6 of this chapter.**

8 **Sec. 6. (a) The capital improvement board professional sports**
 9 **trust fund is established.**

10 **(b) The treasurer of state shall invest the money in the capital**
 11 **improvement board professional sports trust fund not currently**
 12 **needed to meet the obligations of the fund in the same manner as**
 13 **other public trust funds are invested. Interest that accrues from**
 14 **these investments shall be deposited in the fund.**

15 **(c) The commissioner shall administer the capital improvement**
 16 **board professional sports trust fund. Expenses of administering the**
 17 **fund shall be paid from money in the fund.**

18 **(d) The auditor of state shall distribute the money from the**
 19 **capital improvement board professional sports trust fund to the**
 20 **capital improvement board each month. The capital improvement**
 21 **board shall deposit money received under this subsection in a**
 22 **special fund. Money in the special fund may be used only for**
 23 **payment of obligations relating to a capital improvement that is**
 24 **used for professional football events, including the financing or**
 25 **refinancing of such a capital improvement or the payment of lease**
 26 **payments (as described in IC 36-10-9) for such a capital**
 27 **improvement.**

28 **(e) Money in the capital improvement board professional sports**
 29 **trust fund at the end of a state fiscal year does not revert to the**
 30 **state general fund.**

31 **SECTION 12. IC 36-7-31-14 IS AMENDED TO READ AS**
 32 **FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. (a) A tax area must**
 33 **be established by resolution. A resolution establishing a tax area must**
 34 **provide for the allocation of covered taxes attributable to a taxable**
 35 **event or covered taxes earned in the tax area to the professional sports**
 36 **development area fund established for the county. The allocation**
 37 **provision must apply to the entire tax area. The resolution must provide**
 38 **that the tax area terminates not later than December 31, 2027. 2040.**

39 **(b) All of the salary, wages, bonuses, and other compensation that**
 40 **are:**

41 **(1) paid during a taxable year to a professional athlete for**
 42 **professional athletic services;**

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(2) taxable in Indiana; and

(3) earned in the tax area;

shall be allocated to the tax area if the professional athlete is a member of a team that plays the majority of the professional athletic events that the team plays in Indiana in the tax area.

(c) The total amount of state revenue captured by the tax area may not exceed five million dollars (\$5,000,000) per year ~~for twenty (20) consecutive years through 2005. Beginning in 2006, there is no limit on the total amount of state revenue captured by the tax area. For tax areas created before July 1, 1999, an increase in state tax revenue captured by the tax area after 2005 is effective without any further action under section 11, 12, or 13 of this chapter.~~

(d) The resolution establishing the tax area, **or any amendment to the resolution**, must designate the facility and the facility site for which the tax area is established and covered taxes will be used.

(e) The department may adopt rules under IC 4-22-2 and guidelines to govern the allocation of covered taxes to a tax area.

SECTION 13. IC 36-7-31-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 21. The capital improvement board may use money distributed from the fund only to construct, **renovate**, and equip a capital improvement, ~~that is used for a professional sporting event~~, including the financing or refinancing of a capital improvement or the payment of lease payments for a capital improvement.

SECTION 14. IC 36-7-31-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 22. The capital improvement board shall repay to the professional sports development area fund any amount that is distributed to the capital improvement board and used for

~~(1) a purpose that is not described in section 21 of this chapter. or~~

~~(2) a facility or facility site other than the facility and facility site to which covered taxes are designated under the resolution described in section 14 of this chapter.~~

The department shall distribute the covered taxes repaid to the professional sports development area fund under this section proportionately to the funds and the political subdivisions that would have received the covered taxes if the covered taxes had not been allocated to the tax area under this chapter.

SECTION 15. IC 36-7-31-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 23. This chapter expires December 31, ~~2027~~. **2040.**

SECTION 16. IC 36-7-34 IS ADDED TO THE INDIANA CODE

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AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 34. Convention and Visitor Development Area in a County Containing a Consolidated City

Sec. 1. This chapter applies only to a county having a consolidated city.

Sec. 2. As used in this chapter, "capital improvement board" refers to the capital improvement board of managers established by IC 36-10-9-3.

Sec. 3. As used in this chapter, "commission" refers to the metropolitan development commission acting as the redevelopment commission of a consolidated city.

Sec. 4. As used in this chapter, "covered taxes" means the following:

- (1) The state gross retail tax imposed under IC 6-2.5-2-1 or use tax imposed under IC 6-2.5-3-2.
- (2) The adjusted gross income tax imposed under IC 6-3-2-1 on an individual.
- (3) A county option income tax imposed under IC 6-3.5-6.
- (4) An innkeeper's tax imposed under IC 6-9.

Sec. 5. As used in this chapter, "department" refers to the department of state revenue.

Sec. 6. As used in this chapter, "fund" refers to the convention and visitor development area fund for the county established by section 11 of this chapter.

Sec. 7. As used in this chapter, "tax area" means a geographic area established by a commission as a convention and visitor development area under this chapter.

Sec. 8. (a) The commission may initially establish a convention and visitor development area as a tax area before July 1, 2008, in accordance with the procedures set forth in IC 36-7-15.1 relating to the establishment of an economic development area. A tax area may be changed or the terms governing the tax area revised in the same manner as the establishment of the initial tax area.

(b) Notwithstanding subsection (a), in establishing the tax area, the commission must make the following findings instead of the findings required for the establishment of economic development areas:

- (1) The cost of the improvements designated in the resolution adopted under section 9 of this chapter exceeds five million dollars (\$5,000,000).
- (2) That the improvements to be undertaken in the tax area

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will promote tourism and the convention and visitor industry and serve the commercial and cultural interests of Indiana and its citizens.

(3) That the improvements to be undertaken in the tax area will benefit the public health and welfare and will be of public utility and benefit.

(4) That the improvements to be undertaken or that have been undertaken in the tax area will protect or increase state and local tax bases and tax revenues.

(c) The tax area established by the commission under this chapter is a special taxing district authorized by the general assembly to enable the county to provide special benefits to taxpayers in the tax area by promoting economic development that is of public use and benefit.

(d) A tax area may contain noncontiguous tracts of land within the county.

Sec. 9. (a) A tax area must be established by resolution of the commission. A resolution establishing a tax area must include a provision for the allocation of covered taxes collected in the tax area to the fund established by section 11 of this chapter. The allocation provision must apply to the entire tax area. The resolution must provide that the tax area terminates not later than December 31, 2040.

(b) The resolution establishing a tax area must designate the improvements to be undertaken in the tax area, which must include the acquisition, construction, expansion, renovation, or equipping (or any combination of these) of a hotel or similar facility serving the convention and visitor industry, and the anticipated cost of the improvements.

(c) Covered taxes shall be allocated to the fund on a date set forth in the resolution of the commission, which shall be the first day of the calendar month not earlier than sixty (60) days after adoption of the resolution.

(d) The department may adopt rules under IC 4-22-2 and guidelines to govern the allocation of covered taxes to a tax area.

Sec. 10. The commission shall notify the department by certified mail of the adoption of a resolution under section 9 of this chapter and shall include with the notification a complete list of the following:

(1) Employers in the tax area.

(2) Street names and the range of street numbers of each street in the tax area.

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1 The commission shall update the list before July 1 of each year.

2 Sec. 11. A convention and visitor development area fund for the
3 county is established. The fund shall be administered by the
4 department. Money in the fund does not revert to the state general
5 fund at the end of a state fiscal year.

6 Sec. 12. Covered taxes attributable to a tax area established
7 under section 10 of this chapter shall be deposited in the fund.

8 Sec. 13. On or before the twentieth day of each month, all
9 amounts held in the fund shall be distributed to the capital
10 improvement board.

11 Sec. 14. The department shall notify the county auditor of the
12 amount of covered taxes to be distributed to the capital
13 improvement board.

14 Sec. 15. All distributions from the fund shall be made by
15 warrants issued by the auditor of state to the treasurer of state
16 ordering those payments to the capital improvement board.

17 Sec. 16. The capital improvement board may use money
18 distributed from the fund for one (1) or more of the following
19 purposes:

20 (1) Acquisition, construction, improving and equipping of a
21 capital improvement that is used for the convention and
22 visitor industry, including the financing or refinancing of a
23 capital improvement or the payment of lease payments for a
24 capital improvement.

25 (2) Deposit to a special fund or account of the commission for
26 the acquisition, construction, improving or equipping of a
27 local public improvement in or serving the tax area, including
28 the refinancing or refinancing of such a local public
29 improvement or the payment of lease payments for such a
30 local public improvement.

31 Sec. 17. The capital improvement board shall repay to the fund
32 any amount that is distributed to the capital improvement board
33 and used for a purpose that is not described in section 16 of this
34 chapter. The department shall distribute the covered taxes repaid
35 to the fund under this section proportionately to the funds and the
36 political subdivisions that would have received the covered taxes if
37 the covered taxes had not been allocated to the tax area under this
38 chapter.

39 Sec. 18. The general assembly covenants that this chapter will
40 not be repealed or amended in any manner that will adversely
41 affect the owners of bonds secured in any manner by covered taxes
42 allocated under this chapter.

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Sec. 19. This chapter expires December 31, 2040.

SECTION 17. [EFFECTIVE JULY 1, 2005] The general assembly finds that:

(1) tourism and the convention and visitor business are critical to successful economic development in a consolidated city;

(2) substantial opportunities exist for a consolidated city, by virtue of its size and population, to attract convention and visitor business if sufficient convention and visitor facilities and related infrastructure are developed and available;

(3) the promotion of tourism and the convention and visitor business in a consolidated city poses unique challenges due to the need for development of substantial public and private convention and visitor facilities and related infrastructure necessary to attract conventions, trade shows, and other events to a consolidated city;

(4) encouragement of economic development, including promotion of tourism and the convention and visitor business, in a consolidated city will:

(A) generate significant economic activity, a substantial portion of which results from persons residing outside Indiana, which may attract new businesses and encourage existing businesses to remain or expand in a consolidated city;

(B) promote the consolidated city to residents outside Indiana, which may attract residents outside Indiana and new businesses to relocate to a consolidated city;

(C) protect and increase the state and local tax revenues; and

(D) encourage overall economic growth in a consolidated city and in Indiana;

(5) a consolidated city faces unique challenges in the development of infrastructure and other facilities necessary to promote economic development as a result of its need to rely on sources of revenue other than property taxes, due to the large number of tax exempt properties located in a consolidated city because the consolidated city is the seat of government, the home to multiple institutions of higher education, and the site of numerous state and regional nonprofit corporations;

(6) economic development, including promotion of tourism and the convention and visitor business, benefit the health and

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1 welfare of the people of Indiana, are public uses and purposes
2 for which public money may be spent, and are of public utility
3 and benefit; and
4 (7) the purpose of this act is to provide additional means for
5 a consolidated city to develop and finance substantial
6 convention and visitor facilities in order to encourage
7 economic development, including promotion of tourism and
8 the convention and visitor business in the consolidated city.

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